



**MEETING OF THE HEALTH BENEFITS COMMITTEE OF THE RETIREMENT BOARD
OF THE COUNTY EMPLOYEES' AND OFFICERS' ANNUITY AND BENEFIT FUND
OF COOK COUNTY AND EX OFFICIO FOR THE FOREST PRESERVE DISTRICT
EMPLOYEES' ANNUITY AND BENEFIT FUND OF COOK COUNTY**

**33 N Dearborn St, Suite 1000
Chicago, Illinois 60602**

Minutes for the October 24, 2013 Meeting

The County Employees' and Officers' Annuity and Benefit Fund of Cook County and the Forest Preserve District Employees' Annuity and Benefit Fund of Cook County Fund are herein collectively referred to as the "Fund." **All committee recommendations are preliminary in nature; as such, they are subject to review and approval by the full Retirement Board.**

Call to Order and Roll Call.

Trustee Committee Members Present: John Fitzgerald (Chair), Brent Lewandowski, Alexis Herrera, Patrick McFadden, and Ivan Samstein

Additional Trustees Present: Samuel Richardson, Diahann Goode and Patrick Nester

Staff Present: Nickol Hackett, Executive Director; Staff: Brenda Deming, Rachel Howliet, Rachel Farris, Gary LeDonne, Paul Rzeszutko and Margaret Fahrenbach

Others Present: Jim Hogan, Caremark; Jessica Streit and Christopher Heppner Segal Company; O'Dell Copperidge, Cook County Forest Preserve Retiree; Kati Sabo Office of Cook County Commissioner Gainer.

1. Public Comment.

Trustee Fitzgerald asked if anyone present would like to address the Committee. Mr. Copperidge indicated his desire to do so.

Mr. Copperidge expressed concern for the cost of insurance coverage for himself and his family. He made the point that regardless of a retiree's annuity income, or their salary as an active employee, the cost was the same for all retirees. He said that as an active employee, health premiums are based on a percentage of pay and expressed dissatisfaction with the perceived fairness of not having an income based premium structure in retirement. He furthermore stated that in relation to his monthly income, the amount he pays for family coverage is very high. Mr. Copperidge concluded his

comments and observed the rest of the meeting.

2. Administrative Update

Brenda Deming reviewed with the committee a change in the billing process with Blue Cross whereby a file will be generated of covered members and a payment remitted based on this data. The cost to develop this new programming is \$12,800. Additionally she described a change that is necessitated by the Fund's change to self-funding for the HMO plans. Plan group numbers will be changed effective 1/1/14. The programming cost for this change is estimated at \$17,200. She indicated that this work and the associated expense would be presented at the next Board meeting for approval. It was moved by Trustee McFadden and seconded by Trustee Richardson to recommend approval to the Board of these programming expenses.

Vote Result: MOTION ADOPTED UNANIMOUSLY BY VOICE VOTE

Ms. Howliet provided an update on the ongoing efforts to enroll members in Part B of Medicare. At this time we have only five members left that are entitled to enroll but have not, despite several certified mailings. These members may be unable to respond or may be deceased without our being notified. The Trustees discussed sending a letter via regular mail, and if there is no response, suspending the member's annuity payment.

Lastly, Ms. Deming reported on an issue with expected CVS rebates paid in 2013. In 2012 the fund was paid rebates in excess of what we were entitled to receive, which was \$1,700,000. During 2013 rebates in the amount of \$750,000 were paid as an adjustment to our plan rebate for 2012. This amount will be reflected on the Fund's financials, and is supported by proper documentation.

3. Review of CVS Pharmacy Program

Mr. Hogan presented an update of experience under the pharmacy benefits plan highlighting that our total plan cost appears to be flat as compared to 2012. This cost trend is driven by a 5% increase in generic dispensing rates. Plan performance statistics included that the retiree cost-share is at 13.6%, down by 7.5% over last year due to the lower cost of generics. It was noted that the Caremark book-of-business cost share is approximately 20%.

For 2014 the Fund will see a price improvement in our contract which will result in an estimated cost reduction of \$812,000. Mr. Hogan said that the plan's efficient design and managed utilization has helped to keep cost flat in this continuing inflationary environment.

He discussed the most frequently prescribed drugs, and which drugs will go off patent in 2014. Staff requested copies of the Prescription Savings Guides that were provided earlier in the year which show personalized savings reports.

4. Project Plan

Ms. Deming reviewed the subsidy implementation project plan with the Trustees, and indicated the staff who are responsible for each part of the plan. Ms. Hackett discussed timing of the legal review, and said that there would be some analysis at the next scheduled meeting. There were no other questions.

5. Health Care Exchange Update Report

Mr. Heppner and Ms. Streit presented a comparison of the plans and rates available under the Illinois Health Care Exchange as compared to the plan and associated cost of the health coverage available under the Fund. Mr. Heppner then described the tax credits available to lower income people to offset the cost of coverage under the exchange. The Trustees discussed that some retirees may be able to find lower cost coverage on the Exchange. They also discussed whether there should be a general notice from the Fund communicating these other plan options.

6. Adjournment

It was moved by Trustee Herrera and seconded by Trustee Samstein to adjourn the meeting.

[Vote Result: MOTION ADOPTED UNANIMOUSLY BY VOICE VOTE](#)